

**PUBLIC DISCLOSURE**

**AUGUST 16, 2010**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**EQUITABLE CO-OPERATIVE BANK**

**400 BROADWAY  
LYNN, MA 01904**

**DIVISION OF BANKS  
1000 WASHINGTON STREET  
BOSTON, MA 02110**

<p><b>NOTE:</b> This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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## GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **Equitable Co-operative Bank (or the "Bank")** prepared by the Division, the institution's supervisory agency. The agency evaluates performance in the assessment area as it is defined by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in the Division's regulation 209 CMR 46.00.

**INSTITUTION'S CRA RATING: This institution is rated "Satisfactory".**

An institution in this group has an adequate record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The assigned rating is based on the results of the Lending Test and the Community Development Test. The Bank's performance is summarized below:

### **Lending Test: "Satisfactory"**

- The Bank's loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of home mortgage loans were extended within the Bank's assessment area.
- Lending to low- and moderate-income borrowers is considered a less than reasonable penetration among individuals of different income levels, given the absence of any originations to low-income individuals.
- Lending in low- and moderate-income census tracts reflects a reasonable dispersion of loans throughout the assessment area.
- There have not been any CRA-related complaints regarding the Bank.
- Additionally, the Bank's community development activities were reviewed. The Bank's activities reflect a satisfactory level of credit availability within the assessment area. During the period under review, the Bank participated in several community development efforts, including 3 community development loans, grant activity, and involvement on community boards.

## **SCOPE OF EXAMINATION**

Small Bank CRA procedures were used to evaluate Equitable Co-operative Bank's CRA performance. These procedures evaluate the Bank's CRA performance pursuant to the following criteria: Loan-to-deposit (LTD) ratio, assessment area concentration, the geographic distribution of loans, income of the borrower, and response to CRA complaints. At the Bank's request, a review of the Bank's Community Development efforts was conducted. The CRA evaluation considered activity since the Bank's prior FDIC CRA evaluation on April 28, 2008. The applicable timeframes for the reviews are described in the paragraphs that follow.

The Bank is primarily a residential lender. The CRA evaluation includes an analysis of the residential loan data for 2008 and 2009. The residential loan data was obtained from the Loan Application Registers ("LAR"s) maintained by the Bank pursuant to the Home Mortgage Disclosure Act ("HMDA"). The LARs contain data about home purchase and home improvement loans, including refinance loans, on one-to four-family and multifamily (five or more units) properties. For 2008, the Bank's data is shown in conjunction with aggregate data, as this was the most recent year available at the time of the evaluation. The 2009 data is provided for comparative and trend analysis.

Demographic information referenced throughout the evaluation was obtained from the 2000 United States (U.S.) Census, unless otherwise noted.

## **PERFORMANCE CONTEXT**

### **Description of Institution**

Equitable Co-operative Bank is a mutually owned, state-chartered financial institution established in 1877. The Bank is headquartered at 400 Broadway in Lynn, Massachusetts, a middle income census tract. There is an additional full service branch located at 28 Nahant Road in Nahant, Massachusetts, an upper income tract. A 24-hour Automated Teller Machine is located at 917 Lynnfield Avenue, Goodwin Circle, Lynn, Massachusetts, a middle income tract.

The primary business focus of Equitable Co-operative Bank is to provide for the credit and deposit needs of the surrounding communities. The Bank offers 24-hour online banking and domestic wire transfers, for personal as well as business purposes. The Bank also offers a 24-hour telephone branch service allowing members to monitor their account status, transfer funds between accounts, and inquire about interest rates and other Bank information. The operating hours of the main and branch offices are reasonable and convenient.

As of June 30, 2010, assets totaled \$93.9 million. Total loans, as of this date were \$58.9 million or 62.8 percent of total assets. One-to-four family residential loans accounted for 67.6 percent of the Bank's loan portfolio. Loans secured by residential properties (including Home Equity Lines of Credit and multifamily loans) constitute a majority of the institution's loan portfolio at 79.7 percent. Please refer to the following table for further information regarding the composition of the loan portfolio.

<b>Table 1 Equitable Co-operative Bank Loan Distribution as of June 30, 2010</b>		
<b>Loan Type</b>	<b>Dollar Amount \$</b>	<b>Percent (%)</b>
Secured by:		
<i>Construction and Land Development</i>	3,187,000	5.4
<i>1-4 Family Residential</i>	39,903,000	67.6
<i>Equity Lines of Credit</i>	4,583,000	7.8
<i>Multi-Family (5 or more) Residential</i>	2,524,000	4.3
<i>Commercial</i>	6,913,000	11.7
<i>Commercial and Industrial</i>	1,594,000	2.7
<i>Consumer</i>	277,000	0.5
<b>Total</b>	<b>\$58,981,000</b>	<b>100.0</b>

*Source: Consolidated Reports of Condition and Income (Call Reports)*

The most recent CRA examination conducted by the Division on May 23, 2005 resulted in an overall rating of "Satisfactory". The most recent CRA evaluation conducted by the FDIC on April 28, 2008 also resulted in an overall rating of "Satisfactory." There appear to be no financial or legal impediments other than the Bank's size that would limit the Bank's ability to help meet the credit needs of its assessment area.

## Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Division evaluates an institution's CRA performance based upon the defined assessment area. Equitable Co-operative Bank has defined its assessment area as the City of Lynn and the Town of Nahant. Both communities are located in Essex County, which is part of the Peabody MA-MD. The assessment area as currently defined meets the technical requirements of the CRA regulation since it (1) consists of one or more political subdivisions, (2) includes the geographies where the Bank has its main office, branches, and deposit-taking ATMs, as well as the surrounding geographies in which the institution originated a substantial portion of its loans, (3) consists of whole census tracts, (4) does not extend substantially beyond state borders, (5) does not reflect illegal discrimination, (6) does not arbitrarily exclude low and moderate income areas.

The assessment area is comprised of 23 census tracts, of which 4 or 17.4 percent are designated as low-income; 13, or 56.5 percent, as moderate-income; 5, or 21.7 percent as middle-income; and 1 or 4.4 percent, as upper-income. The one upper-income geography comprises the Town of Nahant.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

Based on 2000 U.S. Census data, the total population of the assessment area is 92,682 individuals. Of the total population within the assessment area, 15.1 percent reside in low-income tracts, 55.2 percent of the population resides in moderate-income tracts, 25.8 percent reside in middle-income census tracts, and 3.9 percent reside in upper-income tracts. Households total 35,287, of which 37.5 percent are low-income (the largest segment); 19.3 percent moderate-income; 17.8 percent middle-income; and 25.4 percent upper income.

Providing further insight into the demographic composition of the assessment area population is the number of families at each income level. According to the 2000 census data, of the 22,146 families in the assessment area, 32.2 percent are low-income, 21.8 percent are moderate income, 21.5 percent are middle income, and 24.5 percent are upper income. Additionally, 12.6 percent of the assessment area families are below the poverty level. The HUD adjusted Median Family Income ("MFI") for the assessment area was \$83,600 in 2009. The Department of Housing and Urban Development publishes annual estimates of median family income that are adjusted for inflation and other economic events.

Housing units within the assessment area total 36,394, of which 16,425 or 45.1 percent are owner-occupied, and 18,767 or 51.5 percent are rental units. Of the owner-occupied units within the assessment area, 17.2 percent are located in low-income census tracts, 36.7 percent are in moderate-income census tracts, 76.1 percent are in middle-income tracts, and 65.1 percent are in upper-income tracts. A total of 3.3 percent are vacant units.

The following table provides demographic and economic information pertaining to the Bank's assessment area.

Selected Housing Characteristics by Income Category of the Geography							
Geographic Income Category	Percentage						Median Home Value
	Census Tracts	House- holds	Housing Units	Owner- Occupied	Rental Occupied	Vacant Units	
<b>Low</b>	17.4	14.6	14.8	5.6	22.7	17.7	112,877
<b>Moderate</b>	56.5	55.2	55.2	44.9	63.9	58.7	137,155
<b>Middle</b>	21.7	25.5	25.3	42.7	10.6	17.4	159,007
<b>Upper</b>	4.4	4.7	4.7	6.8	2.8	6.2	286,500
<b>Total or Median</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>144,678</b>

Source: 2000 U.S. Census

The table above displays the median housing value in the assessment area according to the 2000 Census data. More recent data obtained from the *Warren Group*, Publisher of Banker and Tradesman indicated that the 2008, 2009, and year-to-date median housing values in the assessment area ranged from a low of \$178,500 to a high of \$364,000. Prices have generally fallen over the examination period. The housing prices reflect the differences in income compositions between the two areas: Nahant has a higher proportion of population which would qualify as middle or upper income in the assessment area, while Lynn's population skews toward the moderate and low-income households.

According to the United States Department of Labor, the July 2010 unemployment rate in the Peabody MD-MSA was 9.1 percent. More specifically, the Lynn unemployment rate was 10.8 percent, and the Nahant unemployment rate was 7.4 percent. The unemployment rate for the Commonwealth of Massachusetts was 9.0 percent as of July 2010.

Equitable Co-operative Bank is located in an area concentrated with financial institutions. As a result, its competition is significant. The Bank considers St. Jeans Credit Union, Brotherhood Credit Union, DanversBank and Newburyport Institution for Savings its primary competition. Additionally there are numerous other institutions which present competition for the Bank, including mortgage lenders and national banks.

### **Community Contact**

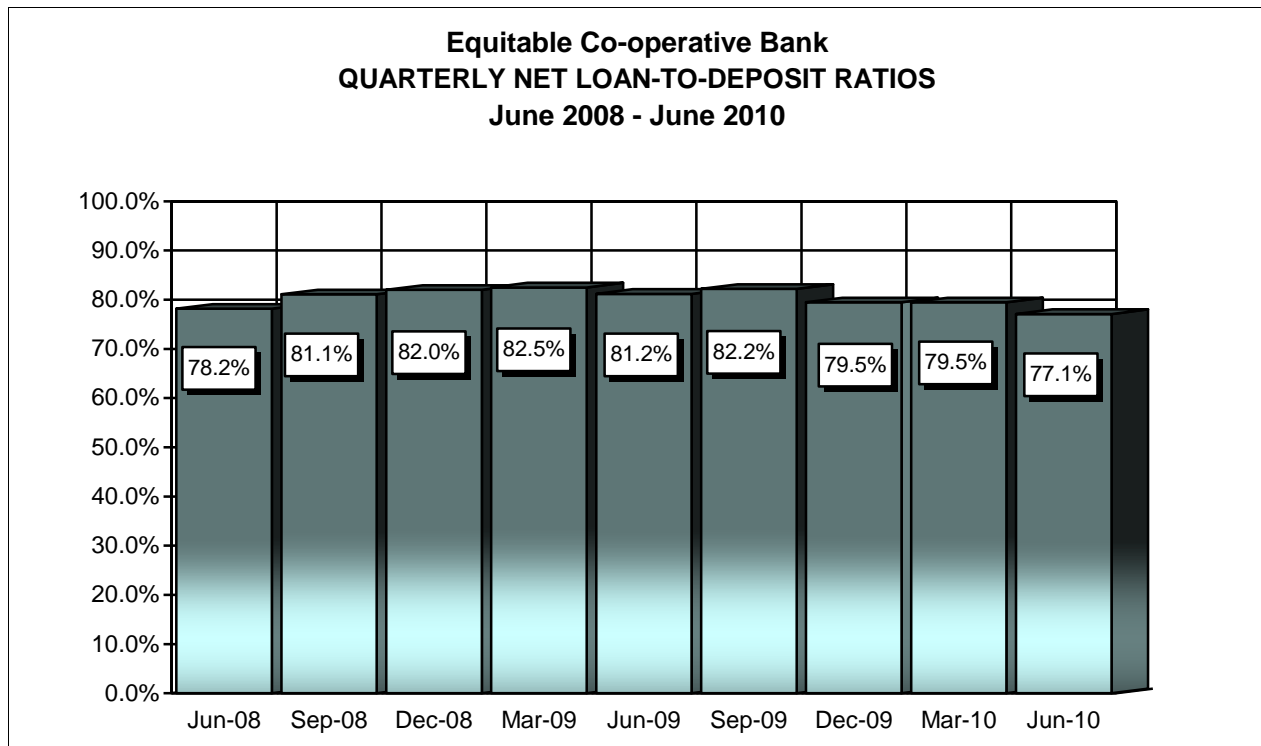
A community contact was conducted in conjunction with this CRA evaluation. The contact was with a citywide economic development organization focused on antipoverty efforts. The contact noted the need for lending institutions to do more to accommodate the needs of the areas low-income residents. The contact also noted the need for a more efficient distribution of federal funds received by the city to the low-income population of Lynn, as well as programs from financial institutions designed specifically to meet the needs of low-income families (e.g. fee-free checking).

## LENDING TEST

### 1. LOAN TO DEPOSIT (LTD) ANALYSIS

This performance criterion evaluates the proportion of the Bank's deposit base that is reinvested in the form of loans. The analysis was performed using Federal Financial Institutions Examination Council ("FFIEC") quarterly call report data for the period ending June 30, 2008 through June 30, 2010. The analysis was conducted to determine the extent of the Bank's lending compared to deposits received from its customers.

Equitable Co-operative Bank's average LTD ratio for the time period was calculated at 80.4 percent and is considered reasonable given the Bank's size and the assessment area credit needs. The following graph depicts the net LTD ratios for each quarter under review.



Source: Call Report Data

As displayed in the table above, the LTD ratios have been relatively stable for the 9 quarters since the previous evaluation. Overall, growth in the deposits of customers (8.2 percent) outperformed that of loans (6.6 percent), leading to a slight decrease in the LTD ratio to 77.1 percent in June 2010, down from 78.2 in June 2008. More specifically, over the first four quarters, loan production outperformed the deposits, leading to a rising LTD trend. This was a result of an increase in commercial loans, funded through Federal Home Loan Bank borrowings. Over the last four quarters, deposits outperformed loans, resulting in a lower LTD ratio.

The LTD ratio was also compared to five other similarly situated institutions to assist in forming conclusions about the appropriateness of the Bank's LTD.

Net Loan-to-Deposit Ratio Comparison		
Institution	Net LTD June 30, 2010	Asset Size \$(000)
Merrimac Savings Bank	73.8%	\$63,888
Granite Savings Bank	66.2%	\$67,210
Methuen Co-Operative Bank	70.5%	\$80,015
<b>Equitable Co-operative Bank</b>	<b>77.1%</b>	<b>\$93,945</b>

As displayed in the table above, the Bank's LTD ratio was comparable to that of three similarly situated institutions. Given the Bank's size, financial condition, and the characteristics of similar institutions, the LTD ratio appears reasonable. The Bank meets the standards for satisfactory performance for this criterion.

## 2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA

This performance criterion determines what percentage of the Bank's lending occurs within the Bank's assessment area and evaluates its appropriateness.

Equitable Co-operative Bank meets the standards for satisfactory performance since a majority of its residential loans are made within the assessment area. The residential real estate loans include home purchase, home improvement, refinance, and multifamily loans.

The data revealed that the Bank originated 101 HMDA-reportable loans during this period totaling \$17.4 million. Of this number, 69 loans or 68.3 percent were originated within the Bank's assessment area. The following table reflects the distribution of the Bank's lending inside and outside of its assessment area.

Distribution of HMDA Loans Inside and Outside the Assessment Area										
Year	Number of Loans					Dollars				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000's)	%	\$(000's)	%	(000's)
2008	29	70.7	12	29.3	41	4,483	65.9	2,315	34.1	6,798
2009	40	66.7	20	33.3	60	6,808	64.5	3,749	35.5	10,557
Total	69	<b>68.3</b>	32	31.7	101	11,291	<b>65.1</b>	6,064	34.9	17,355

Source: HMDA LAR

Lending inside the assessment area from 2008 to 2009 increased by approximately 37.9 percent, as shown above 40 loans were granted within the assessment area in 2009, compared to 29 loans in 2008. The increase in originations was attributed to the falling interest rates resulting in an increase in refinance activity.

## 3. DISTRIBUTION OF CREDIT AMONG BORROWERS OF DIFFERENT INCOME LEVELS

The distribution of loans by borrower income was reviewed to determine the extent to which the Bank is addressing the credit needs of the area's low and moderate-income residents. The borrowers' reported incomes for 2008 and 2009 were compared to the median family incomes for the assessment area. The income figures are based on estimated HUD information.



The following table shows, by number, HMDA reportable loans to low, moderate, middle and upper-income borrowers in comparison to the percentage of total families within the assessment area in each respective income group and the 2008 aggregate lending performance data.

Distribution of HMDA Loans by Borrower Income								
Median Family Income Level	% Total Families	Bank Data 2008		Aggregate Lending Data 2008 % of #	Bank Data 2009		Total	
		#	%		#	%	#	%
<b>Low</b>	32.2	0	0.0	7.4	0	0.0	0	0.0
<b>Moderate</b>	21.8	8	27.6	25.8	4	10.0	12	17.4
<b>Middle</b>	21.5	7	24.1	28.4	8	20.0	15	21.7
<b>Upper</b>	24.5	14	48.3	19.9	25	62.5	39	56.5
<b>NA</b>	---	---	0.0	18.5	3	7.5	3	4.3
<b>Total</b>	100.0	29	100.0	100.0	40	100	69	100.0

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

As displayed in the table above, the Bank did not meet the levels of the aggregate in lending to low-income borrowers in 2008. No loans were granted to low-income borrowers in 2008 or 2009 inside the assessment area. This performance is somewhat mitigated by the overall low level of lending overall. To achieve parity with the aggregate, the Bank would have had to originate approximately 2 loans. Lending to moderate-income borrowers represented 27.6 percent of originations, slightly higher than the aggregate level of lending. While the lending to moderate-income borrowers exceeded the aggregate, this, too, is mitigated by the relatively low volume of originations.

As shown in the previous table, the Bank has not made any loans to low-income borrowers in 2008 or 2009. While some mitigating factors exist, aggregate lenders originated 7.4 percent of their total loans to low-income borrowers in 2008, showing that while limited, there are lending opportunities for low-income borrowers.

Lending to moderate income borrowers showed more comparable performance to the aggregate. However, there was a significant decrease in the Bank's lending to moderate-income borrowers in 2009. Since total originations increased in 2009, the proportion for moderate-income borrowers in 2009 fell below that of 2008.

Based on the above information, the Bank has achieved a less than reasonable penetration of home loans among borrowers of different income levels, specifically those of low- and moderate-income. Therefore, the loan distribution by borrower income does not meet the standards for satisfactory performance.

#### 4. GEOGRAPHIC DISTRIBUTION

The geographic distribution of loans was reviewed to assess how well the Bank is addressing the credit needs throughout the assessment area. As stated in the *Performance Context*, there are 23 census tracts in the assessment area, of which 4 or 17.4 percent are designated as low-income; 13, or 56.5 percent, as moderate-income; 5, or 21.7 percent as middle-income; and 1 or 4.4 percent, as upper-income. The Bank's lending activity within the assessment area was reviewed in order to determine the distribution of lending among the various census tracts.

The following table provides a breakdown by number of the Bank's HMDA reportable loans within its assessment area according to the census tract income level. The table also shows the loans in comparison to the percentage of owner-occupied housing units in each of the census tract income categories as well as the aggregate lending performance for 2008. Refer to the following table.

Distribution of HMDA Loans by Income Category of the Census Tract								
Median Family Income Level	% Total Owner-Occupied Housing Units	Bank Data 2008		Aggregate Lending Data 2008 % of #	Bank Data 2009		Total	
		#	%		#	%	#	%
<b>Low</b>	5.6	2	6.9	7.2	0	0.0	2	2.9
<b>Moderate</b>	44.9	7	24.1	48.1	13	32.5	20	29.0
<b>Middle</b>	42.7	15	51.7	38.6	18	45.0	33	47.8
<b>Upper</b>	6.8	5	17.3	6.1	9	22.5	14	20.3
<b>Total</b>	100.0	29	100.0	100.0	40	100	69	100.0

As displayed above, the Bank made 2.9 percent of its total loans in low-income census tracts over the origination period. This is below the 5.6 percent of owner-occupied housing units located in those tracts. The Bank also originated 29.0 percent of its loans in moderate income tracts. This percentage is also below the percentage of owner-occupied properties located in the same areas. The majority of owner-occupied units are in low and moderate income census tracts, 50.5 percent. However, the majority of the Bank's 2008 lending activity, 51.7 percent, were in the assessment area's middle-income tracts.

The Bank's lending in low- and moderate-income census tracts was also compared to the aggregate. As shown above, the Bank's lending is consistent with aggregate lending in low-income census tracts in 2008. However, the Bank's lending in moderate-income census tracts is half of the aggregate's lending. The Bank originated 24.1 percent of its loans in moderate-income census tracts while the aggregate originated 48.1 percent. Mitigating this performance are some unique demographics, especially in the City of Lynn. The four low-income census tracts only have 927 owner-occupied housing units, thus limiting the opportunity for making loans. In addition, the moderate income census tracts only have an owner occupancy rate of 36.7 percent, also limiting lending opportunities for the Bank. In addition, of the 14,660 household families located in low and moderate-income census tracts, almost 20 percent are living below the poverty level and would find it difficult to qualify for conventional residential mortgage loans.

In 2009, the Bank's loan originations in moderate-income census tracts increased to 13 total loans. However, there were no loans extended in the low income census tracts. This represents a slight increase in the overall percentage of loans extended to moderate-income tracts, compared to 31.0 percent in 2008.

Based on the above information, and factoring in the relatively low volume of originations, the Bank's distribution of HMDA reportable loans by census tract income level reflects a reasonable dispersion of loans throughout the assessment area. Therefore, the Bank meets the standards for satisfactory performance in this category but should monitor its performance due to the declining trend.

## **5. REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES**

Based upon the review of the Bank's public comment file and its performance relative to fair lending policies and practices, no violations of the anti-discrimination laws and regulations were identified. Since the previous examination, the Bank received no complaints pertaining to the institution's CRA performance since the previous examination.

Currently, the Bank has 20 full-time equivalent employees. One employee speaks Spanish, one employee speaks Cambodian, and one speaks Cantonese.

The Bank's loan policy prohibits discrimination against all the prohibited classes listed under the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA). Also included in the Bank's credit policy are procedures for the second review process of denied loan applications.

### **MINORITY APPLICATION FLOW**

A review of residential loan applications was conducted in order to determine the number of HMDA-reportable credit applications the Bank received from minority applicants. During this period, 3 applications, or 3.5 percent were received from racial and ethnic minorities all of which were originated.

The Bank's minority application flow for this period was compared with the racial and ethnic composition of the assessment area and the 2008 aggregate data for all other HMDA reporters within the assessment area. The comparison of these data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants.

According to 2000 Census Data, the Bank's assessment area contained a total population of 92,682, of which 36.2 percent are minorities, the assessment area's minority and ethnic population is 8.8 percent Black, 6.2 percent Asian/Pacific Islander, 0.2 percent American Indian, 17.7 percent Hispanic, and 3.3 percent were defined as 'other race.'

In 2008, the level of applications the Bank received from racial minorities, 2.9 percent, is notably below the minority demographic and the aggregate minority application proportion, 36.2 and 14.1 percent, respectively. The composition of ethnic applications also differs considerably between the Bank and the aggregate. The aggregate proportion of individual applicants' ethnicity was 15.1 percent Hispanic, while the Bank collected no applications from individuals of Hispanic ethnicity.

In 2009, the minority application flow exhibited an increase compared to 2008, up to 7.7 percent. The number of minority applications rose in 2009, up to 4 from 2 applications in 2008. Additionally, the Bank received one Hispanic application in 2009, compared to no applications in 2008.

The Bank's relatively low level of minority applications makes meaningful comparisons with the area's demographics and the aggregate performance difficult.

## **OPTIONAL EVALUATION OF INVESTMENTS AND SERVICES**

At the request of Bank management, the institution's community development investment and service activity was reviewed. The Bank provided a reasonable level of investment and service activity. The Bank has taken on a role in providing its assessment area with qualified lending, investments and services that support the Bank's overall rating.

A qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low- and moderate-income individuals, community services targeted to low- and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, and activities that revitalize or stabilize low and moderate-income geographies. The evaluation of services includes the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. Community development services must relate to the provision of financial services.

### **COMMUNITY DEVELOPMENT LOANS**

A review of community development lending during the examination period was conducted. Equitable Co-operative Bank financed 3 community development loans since the previous examination, totaling \$666,000.

The first community development loan originated in May 2009 was a commercial line of credit to a local community development corporation for \$500,000. The purpose of the line of credit is the rehabilitation of foreclosed properties for sale at a later date. The line of credit is secured through other real estate holdings of the corporation, specifically vacant lots or other parcels of land. Thus far, \$475,676.74 has been drawn from the credit line for rehabilitation of three properties.

Another loan for \$106,000 originated in April 2010, was provided to an affordable housing association for the purpose of purchasing four recently renovated condominium units. These units will be made available to low- and moderate-income individuals.

The third loan for \$60,000 originated in July 2010, was a refinance loan also for an affordable housing association. Proceeds were used to pay down construction debt on a recently rehabilitated affordable housing property.

The last two loans are technically HMDA reportable, as they are collateralized by 1-4 family residential properties. However, the purpose of these loans is still specifically provided to low- and moderate-income individuals, and is still considered as a means of community development.

### **INVESTMENTS & SERVICES**

Equitable Co-operative Bank established a wholly owned subsidiary corporation known as the Equitable Housing Corporation ("EHC"). This corporation develops real-estate, including multi-family housing primarily throughout the City of Lynn. Through EHC, the Bank has been able to purchase land in Lynn and has either built new housing or rehabilitated existing units to improve the housing stock of the city. Since the previous examination, EHC has purchased, developed, and sold 5 residential properties in Lynn.

## **INVESTMENTS & SERVICES (CONTINUED)**

### **Investments**

The Bank's investments for 2008, 2009, and year-to-date August, 16 2010, consisted of monetary contributions to local community organizations.

Contributions were granted over the time period reviewed to several charitable organizations that met the definition of community development. Organizations include Consumer Credit Counseling Services, My Brother's Table, Project BREAD, the Boys and Girls Club of Lynn, the Salvation Army, and the Lynn Housing Authority. The Bank has granted qualified CRA contributions of approximately \$3,550 over the time period reviewed.

### **Services**

Equitable Co-operative Bank is considered active within its assessment area. Officers, directors, and employees are involved with community organizations that address economic and affordable housing development. Through these involvement's, the Bank's staff lends its technical expertise, experience and judgment to these organizations. Following are some examples:

- The CEO of the Bank serves on the board of My Brother's Table, a non-profit organization which provides nutritious meals to the homeless or impoverished members of the community.
- A Board member of Equitable Co-operative Bank serves on the board of the Lynn Area Chamber of Commerce. This director also serves as board member of the Lynn Business Partnership that focuses on promoting new and current business throughout Lynn.

Equitable Co-operative Bank continues to maintain a first time home buyer's program which offers a market rate, special underwriting considerations and reduced closing costs. The first five years of the loan are at a fixed rate and the remaining years are at an adjustable rate.

## PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 400 Broadway, Lynn, MA 01904.

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by the Division, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.